

### ***Drawings***

On 29 October 2001, applicants provided a Letter to the Drawing Review Branch together with formal drawings for entry in the case subject to the approval of the Examiner. Applicants request that the Examiner approval the drawings.

### **Declaration Under 37 CFR 1.132**

On 29 October 2001, applicants provided a Declaration Under 37 CFR 1.132 by James W. Nugent. Applicants request that the Examiner consider the Declaration in his examination of this application.

### **Interview Summaries**

Applicants' attorney expresses his appreciation for courtesy extended by Examiner G. Akers over the course of several telephonic interviews, most recently on 1/17/02, 5/21/02 and 5/24/02. In the interview of 5/21/02, the Examiner indicated that he had not received applicants' fax

communication of 30 Jan 2002, which included an Interview Summary for the interview on 1/17/02 and a record of a telephone message from the Examiner on 1/18/02. A copy of the 30 Jan 2002 communication is provided herewith. Further, in the interview of 5/21/02, the Examiner outlined the content of a new claim which he would find allowable, for applicant to draft and submit in a subsequent amendment. That claim is submitted herewith in three formats: method, system, and Beauregard. In the interview of 5/24/02, the Examiner advised applicants' attorney that he would be issuing a Notice of Abandonment, and that applicants should submit an RCE or CPA and petition to revive. Applicants file herewith a CPA and Petition for Revival.

**35 U.S.C. 103**

Claims in the parent application had been rejected under 35 U.S.C. 103(a) over Klein (U. S. Patent 5,845,285) in view of Geer (U. S. Patent 5,930,778) or over Geer in view of Rail (U.S. Patent 5,680,611).

The basis of the Examiner's rejection of applicants' claims 1-9 appears to be based upon the premise that one of

ordinary skill would have made the association of Geer and Klein, and his rejection of claims 10-11 upon the association of Geer and Rail. These rejections apparently rest on the Examiner's interpretation of Geer as teaching the preprocessing of invoices before introduction to a database, of Klein as teaching of duplicate invoice identification before entering into a database, and of Rail as teaching of net sum greater than zero for communicating a duplicate invoice rejection back to a vendor.

Applicants traverse the Examiner's characterization of the teachings of these references and had previously provided an declaration under 35 U.S.C. 132 by James W. Nugent, and requests that such be now considered by the Examiner.

Geer teaches how to expedite the processing of checks received by a business with an accompanying payment form, to reduce the time from receipt of the check to the time the funds are available to the business to use (Col. 1, lines 18-24).

Klein teaches a method of finding duplicates after data is entered into a database, and thus teaches away from applicants solution to the problem of duplicate invoice

processing.

Rail teaches a method to review call records to prevent a record from appearing twice on a bill being sent to a customer. Its teachings clearly indicate that after matching the call records, if a duplicate is found, that the duplicate goes to an audit file, and is not rejected back to a vendor.

Applicants' invention provides a system and method for preventing duplicate invoices from entering a payment application (SAP). Once an invoice is identified as a duplicate, it is rejected electronically and in real-time, automatically returned to the supplier prior to entering the payment application (SAP) for invoice processing. This enables automated error notifications (a.k.a. 824 transactions) to be sent out EDI. An invoice is identified as duplicate if it is of the same vendor invoice, the same purchase order number, and the same item number, AND has not been previously washed (that is, the sum of such invoice items is greater than zero.) Thus, applicants define a duplicate invoice as follows:

"Referring to Figure 2, the auditing step 82 includes, in step 88, sorting the inbound invoices against SAP

production tables for same vendor and same vendor invoice number; in step 90, sorting hits from step 88 for same purchase order billed; in step 92, sorting hits from step 90 for same items billed on purchase order; and in step 94 sorting hits from step 92 to see if any item identified has a net sum  $> 0$ . If an item has net sum  $\leq 0$ , it is not a duplicate and is allowed in steps 98 and 86 to be posted to the accounts payable data base. If an item has net sum  $> 0$ , it is a duplicate, and a transaction back to the vendor is created in steps 96 and 84 to cancel the duplicate invoice." (Specification, page 11, lines 4-15.)

With respect to Klein: Klein relates to a neural network based system for auditing data in a database for detecting duplicate data. Data already entered into the database is sampled and audited. It is important to note that Klein is auditing a database by selecting a sample of entries in the database and applying a neural network analysis to that sample to identify, inter alia, duplicate entries.

Applicants' invention relates to preprocessing debit invoices before they are entered into the accounts payable database. Klein teaches a system for auditing a database to

identify possibly duplicate entries for future analysis.

Klein does not perform the same function or achieve the same result as applicants' claimed invention. The Examiner appears to recognize this point in stating that "Klein does not explicitly teach preprocessing of invoices", and "Klein does not explicitly teach introduction to and rejection from a accounts payable data base." (See page 3 of the Office Action.)

With respect to Geer: Geer relates to the efficient submission of checks and other financial instruments into the payment system for collection of funds. The Examiner asserts that Geer teaches "preprocessing of original invoices before introduction into a database". Applicants traverse this characterization. What Geer may properly be viewed as teaching is a data capture step, in which information from a check is obtained by electronic scanning and communicated electronically into a check clearing system by a payee. The whole objective of Geer is to electronically capture and transmit check data into the payment system so as, in his first example, to avoid the necessity of transferring the physical checks from the payee to the payor bank, or, in his second example, to allow check processing to continue through the payment system without

waiting for the physical transfer of the checks. These checks are received by the payee from a customer together with a remittance advice, that is a payment stub or invoice copy, so that the check amount can be properly credited to the payee customer's account. Geer is not a system for receiving invoices for payment, but rather a system for receiving checks in payment of invoices. There is no teaching in Geer of preprocessing invoices as claimed by applicants. Geer can only be fairly interpreted to teach that data from the checks are scanned and introduced into the payment system for subsequent checking and transaction reversal if, for example, it is determined that there are insufficient funds to cover the check or a stop order has been placed on the check.

Applicants invention relates to preprocessing of invoices to detect and reject duplicate invoices before they make it into the accounting system database. It is singularly important to realize that in Geer, a check or instrument submitted for collection is well into the financial system before action is taken for reversal.

"In the event of dishonor of a check by a payor bank, the process reverses as to the collection of the dishonored check, and this information may be

transmitted electronically back through payment system 12 (or by more direct means of reversal) to depository bank 10 for unwinding the transaction and for debiting of the payee's account as to the dishonored check."  
(Geer, at Col. 9, lines 45-50.)

It is this unwinding of transactions that applicants' invention prevents in the context of invoice processing.

Applicants request that the case be passed to issue with claims 12-15.

### **SUMMARY AND CONCLUSION**

Applicants request consideration of the enclosed Rule 132 declaration by James W. Nugent.

If, in the opinion of the Examiner, a telephone conversation with applicant(s) attorney could possibly



facilitate prosecution of the case, he may be reached at the number noted below.

Sincerely,

M. W. Beach, et al.

By

  
Shelley M Beckstrand  
Reg. No. 24,886

Date: 29 May 2002

Shelley M Beckstrand, P.C.  
Attorney at Law  
314 Main Street  
Owego, NY 13827

Phone: (607) 687-9913  
Fax: (607) 687-7848